

Message Text

UNCLASSIFIED

PAGE 01 JAKART 08987 061006Z

ACTION EA-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-02 INR-10

L-03 NSAE-00 PA-02 SP-02 SS-15 AID-05 COME-00

EB-08 FRB-01 TRSE-00 XMB-04 OPIC-06 LAB-04 SIL-01

OMB-01 NSCE-00 SSO-00 ICAE-00 INRE-00 /082 W

-----029650 061011Z /16

O R 060932Z JUL 78

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC IMMEDIATE 9941

INFO AMEMBASSY BANGKOK

AMEMBASSY KUALA LUMPUR

AMEMBASSY MANILA

AMEMBASSY SINGAPORE

AMEMBASSY TOKYO

AMCONSUL HONGKONG

AMCONSUL MEDAN

AMCONSUL SURABAYA

UNCLAS JAKARTA 8987

EO 11652: NA

TAGS: EFIN, EGEN, ID

SUBJ: MURTOPO PROMISES MONETARY POLICY CHANGES

1. FOLLOWING JULY 5 CABINET MEETING, GOI INFORMATION MINISTER ALI MURTOPO ANNOUNCED TO LOCAL PRESS THAT AN IMPORTANT MONETARY DECISION BY THE GOI IS IMMINENT. MURTOPO REFUSED TO ELABORATE BUT SAID IT WOULD BE "A VERY SURPRISING POINT" AND "VERY GOOD" FOR THE INDONESIAN MONETARY SITUATION. NEEDLESS TO SAY MURTOPO'S DRAMATIC REMARKS HAVE SET JAKARTA ABUZZ. RUMORS OF DEVALUATION CIRCULATE MORE OR LESS CONTINUOUSLY HERE AND WHEN GIVEN ENHANCED CREDIBILITY BY AN OFFICIAL OF MURTOPO'S STATURE THEY BECOME WELL NIGH IRRESISTIBLE. CURRENT STATE OF CONFUSION IS HIGHLIGHTED, HOWEVER, BY THE FACT THAT MANY PEOPLE HERE BELIEVE THAT REVALUATION RATHER THAN DEVALUATION IS THE GOVERNMENT'S INTENDED COURSE.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 JAKART 08987 061006Z

2. THE GOI MOVED QUICKLY TO SCOTCH THE RUMORS BY SCHEDULING JULY 6 MORNING PRESS CONFERENCE IN WHICH FINANCE MINISTER WARDHANA AND BANK INDONESIA (BI) GOVERNOR RACHMAT SALEH EMPHATICALLY DENIED THAT A CURRENCY REALIGNMENT IN EITHER DIRECTION WAS IN THE OFFING. THEY APPARENTLY DID NOT COMMENT ON WHAT THE MONETARY CHANGES WILL INVOLVE OR

WHEN THEY CAN BE EXPECTED. RANKING BI OFFICIAL AND IMF
REP HAVE CONFIRMED TO EMBASSY THEIR UNDERSTANDING THAT NO
CHANGES IN THE PARITY OF THE RUPIAH ARE PLANNED.

3. COMMENT: AS WORD GETS OUT THAT THE VALUE OF THE RUPIAH
IS NOT GOING TO BE CHANGED, SPECULATION WILL TURN TO WHAT
MURTOPO REALLY MEANT AND WHETHER OR NOT HIS STATEMENT TO
THE PRESS WAS DELIBERATELY MISLEADING. WHATEVER THE NEW
POLICIES INVOLVE, IT IS UNLIKELY THAT THEY WILL PROVE
TO BE AS EXCITING AS A CHANGE IN THE RUPIAH'S VALUE
WOULD HAVE BEEN.
MASTERS

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GOVERNMENT REFORM, ECONOMIC PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 06 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978JAKART08987
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780277-0161
Format: TEL
From: JAKARTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780792/aaaaczam.tel
Line Count: 74
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 1576827a-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2106808
Secure: OPEN
Status: NATIVE
Subject: MURTOPO PROMISES MONETARY POLICY CHANGES
TAGS: EFIN, EGEN, ID
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/1576827a-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014